

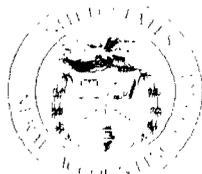
GAO

Fact Sheet for the Chairman,
Subcommittee on Defense, Committee
on Appropriations, House of
Representatives

June 1990

NAVY OFFICE SPACE

Consolidating Space in Northern Virginia for the Five Systems Commands



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General Government Division

B-239580

June 28, 1990

The Honorable John P. Murtha
Chairman, Subcommittee on Defense
Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

This fact sheet responds, in part, to your request for information about the cost of maintaining the five Naval Systems Commands in the Washington, D. C., metropolitan area. As agreed with the Subcommittee, we (1) identified where the Systems Commands are currently located, (2) obtained the status of the current leases for these buildings, and (3) determined the status of the General Services Administration's (GSA) efforts to negotiate a lease that consolidates the Systems Commands in Northern Virginia.

Our National Security and International Affairs Division is working on other aspects of your request and will report separately on that work.

Background

As part of its plan to upgrade its space in the National Capital Region, the Navy plans to consolidate its five Systems Commands at a single site in Northern Virginia. Currently, the Systems Commands are located in space leased by GSA in Arlington and Alexandria, Virginia. GSA leases this space from private organizations and charges the Department of Defense (DOD) for the space used by the Navy. GSA calls this charge Rent. According to GSA's regulations, Rent is to reflect the approximate equivalent commercial rates for comparable space and services and is to be based on the type, quality, and geographical location of the space provided. Standard services provided in Rent are to include elevator service, electricity, heat, and air conditioning and are to be based on the effort required to service an agency's space for one shift during a 5-day, Monday-to-Friday work week. GSA provides special services for extended work schedules at an additional cost.

The Defense Authorization Act of 1989 directed GSA to solicit offers for office and related space to meet the Navy's long-term needs in the National Capital Region. In October 1989, GSA issued a solicitation for offers requesting about 3 million square feet of space for about 20,000 employees and related parking to meet the Systems Commands' long-term needs. Plans call for the consolidation to be completed in 1998.

Results in Brief

The Naval Sea Systems Command, Naval Air Systems Command, Space and Naval Warfare Systems Command, Naval Supply Systems Command, Naval Facilities Engineering Command, and their support organizations are presently housed in 2.27 million square feet of space in 20 buildings in Arlington and Alexandria, Virginia. (See app. I, table I.1.)

GSA has 17 leases, which individually expire from April 1990 through December 1996, for the 20 buildings. Sixteen of the leases are for buildings in the Crystal City area of Arlington, and 1 lease is for the Hoffman 2 building in Alexandria. GSA's plans call for the Navy to start moving into a new consolidated space in 1993 and for the move to be completed in 1998. To provide the Navy with space between the expiration of the current leases and the availability of the consolidated space, GSA is negotiating or plans to negotiate time extensions at market prices on the current leases. (See app. I, table I.2.)

GSA pays the building owners from \$4.00 to \$30.45 per square foot on the 17 leases. GSA's range of costs reflects the quality of the buildings and the age of the leases. Ninety-two percent of the space is office space. GSA charges DOD from \$15.92 to \$28.49 per square foot in Rent for the office space. These rates reflect the approximate equivalent commercial rate for the space and services provided by GSA. Eight percent of the space is for storage and specially equipped space, such as for automated data processing facilities and food service areas. GSA charges DOD 27 different rates for this type of space, with the rates ranging from \$5.67 to \$50.89 per square foot. (See app. I, table I.3 for the rates for each building.)

Offerors are currently preparing detailed proposals for the design, construction, and maintenance of consolidated space under GSA's ongoing procurement. The offerors are required to submit their proposals to GSA during June 1990. GSA plans call for awarding a contract for the consolidated space during June 1991. (See app. I, table I.4.)

Approach

Our work was done at the National Capital Regional Office of GSA's Public Buildings Service (PBS) from March to April 1990. We interviewed contracting personnel and obtained information on the current leases and the schedule for the consolidated lease procurement from PBS's records.

We discussed the information presented in this fact sheet with PBS officials, who agreed that the information we developed was accurate.

As arranged with the Subcommittee, unless you publicly announce its contents earlier, we plan no further distribution of this fact sheet until 15 days from the date of this letter. At that time, we will send copies to the House and Senate Committees on Appropriations, House and Senate Committees on Armed Services, Senate Committee on Environment and Public Works, House Committee on Public Works and Transportation, Department of the Navy, General Services Administration, and Office of Management and Budget. We also will make copies available to others upon request.

The major contributors to this fact sheet are listed in appendix II. If you have any questions, please call me on 275-8676.

Sincerely yours,

A handwritten signature in black ink, appearing to read "L. Nye Stevens". The signature is written in a cursive style with a large initial "L" and "S".

L. Nye Stevens
Director, Government Business
Operations Issues

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Abbreviations

| | |
|-----|---------------------------------|
| DOD | Department of Defense |
| GSA | General Services Administration |
| PBS | Public Buildings Service |

Information on the Naval Systems Commands' Location and GSA's Leases

Table I.1: Current Space for the Naval Systems Commands and Support Organizations

| Organization | Building | Square feet of space |
|---|---------------------------------|-----------------------------|
| Naval Sea Systems Command | Zachary Taylor | 379,995 |
| | James Polk | 284,710 |
| | Century | 58,295 |
| | Crystal Plaza 5 | 57,155 |
| | Crystal Mall 2 | 53,986 |
| | Crystal Park 1 | 43,760 |
| | Crystal Plaza 6 | 23,074 |
| | Crystal Mall 4 | 10,000 |
| | Eads and Fern Sts. ^a | 4,532 |
| | Crystal Mall 3 | 3,000 |
| | 918,507 | |
| Naval Air Systems Command | Jefferson Plaza 1, 2 | 391,470 |
| | Crystal Gateway 4 | 48,220 |
| | Crystal Gateway 1 | 35,000 |
| | Martin Van Buren | 5,518 |
| | Eads and Fern Sts. ^a | 5,336 |
| | Crystal Gateway 3 | 4,045 |
| | 489,589 | |
| Space and Naval Warfare Systems Command | Martin Van Buren | 252,383 |
| | Crystal Mall 2 | 5,884 |
| | 258,267 | |
| Naval Supply Systems Command | Crystal Mall 3 | 136,277 |
| | Crystal Park 1 | 36,087 |
| | Eads and Fern Sts. ^a | 17,400 |
| | Crystal Mall 2 | 4,510 |
| | Martin Van Buren | 3,209 |
| | Crystal Mall 4 | 2,700 |
| | Crystal Plaza 6 | 2,400 |
| | Jeferson Plaza 1, 2 | 2,360 |
| | 204,943 | |
| Naval Facilities Engineering Command | Hoffman 2 | 118,285 |
| Strategic Systems Project Office | Crystal Mall 3 | 84,887 |
| Comptroller of the Navy | Crystal Mall 3 | 37,620 |
| | Crystal Mall 2 | 8,865 |
| | Crystal Gateway 4 | 5,219 |
| | 51,704 | |
| Assistant Secretary of the Navy (Installations and Environment) | Crystal Plaza 5 | 45,450 |

(continued)

Appendix I
Information on the Naval Systems
Commands' Location and GSA's Leases

| Organization | Building | Square feet of space |
|---|------------------|-----------------------------|
| Navy Office of Technical Transfer/Security Assistance | Crystal Plaza 6 | 13,735 |
| | Crystal Plaza 5 | 3,730 |
| | | 17,465 |
| Office of the General Counsel | Crystal Plaza 6 | 8,720 |
| | Crystal Plaza 5 | 8,495 |
| | | 17,215 |
| Personnel Support Detachment | Crystal Mall 3 | 15,049 |
| Naval Audit Service/Capital Region | Crystal Mall 4 | 6,595 |
| | Martin Van Buren | 4,672 |
| | Crystal Square 5 | 2,080 |
| | | 13,347 |
| Navy Regional Data Automation Center | Crystal Mall 3 | 11,600 |
| Navy Federal Credit Union | Crystal Square 5 | 5,155 |
| | Zachary Taylor | 3,296 |
| | | 8,451 |
| Naval Telecommunications Command/Washington | Crystal Plaza 6 | 7,885 |
| British Navy | Crystal Plaza 6 | 6,055 |
| Secretariat Headquarters, Civilian Personnel Office | Crystal Plaza 6 | 2,970 |
| Naval Intelligence Command | Crystal Plaza 5 | 1,675 |
| Total Space | | 2,273,344 |

^aGSA's records list the addresses for the buildings as 1400-1430 S. Eads St., 1201-1301, and 1411 S. Fern St. without providing a name for the buildings.

Appendix I
Information on the Naval Systems
Commands' Location and GSA's Leases

Table I.2: Schedule Showing Current Lease Expirations and Planned Move to Consolidated Space

| Building | Building number | Current lease expires | Schedule for move to consolidated space |
|------------------------------------|------------------------|------------------------------|--|
| Century | VA0130ZZ | 10/15/91 | 12/94 |
| Crystal Gateway 1 | VA0215ZZ | 01/07/92 | 12/93 |
| Crystal Gateway 3 | VA0240ZZ | 12/04/96 | 12/93 |
| Crystal Gateway 4 | VA0250ZZ | 10/31/91 | 12/94 |
| Crystal Mall 2, 3, and 4 | VA1411ZZ | 02/11/95 | 12/97 |
| Crystal Park 1 | VA0251ZZ | 05/31/96 | 12/98 |
| Crystal Plaza 5 | VA1324ZZ | 02/29/92 | 12/97 |
| Crystal Plaza 6 | VA1287ZZ | 08/31/91 | 12/97 |
| Crystal Square 5 | VA1606ZZ | 12/31/92 | 12/97 |
| Hoffman 2 | VA1545ZZ | 02/25/93 | 12/97 |
| James Polk | VA1447ZZ | 07/07/90 | 12/95 |
| Jefferson Plaza 1 and 2 | VA1450ZZ | 04/30/90 | 12/93 |
| Martin Van Buren | VA1446ZZ | 06/18/90 | 12/96 |
| Zachary Taylor | VA1451ZZ | 09/19/90 | 12/98 |
| 1400-1430 S. Eads St. ^a | VA1147ZZ | 10/31/90 | 12/98 |
| 1411 S. Fern St. ^a | VA1247ZZ | 05/31/90 | 12/94 |
| 1201-1301 S. Fern St. ^a | VA1195ZZ | 11/25/90 | 12/93 |

^aGSA's records do not provide names for these buildings.

Appendix I
Information on the Naval Systems
Commands' Location and GSA's Leases

Table I.3: GSA's Lease Cost for Navy Space and Amount That GSA Charges DOD for This Space

| Building | Building number | GSA's cost per square foot | GSA charge to DOD per square foot^a |
|------------------------------------|------------------------|-----------------------------------|--|
| Century | VA0130ZZ | \$19.27 | \$23.48 |
| Crystal Gateway 1 | VA0215ZZ | 20.20 | 23.89 |
| Crystal Gateway 3 | VA0240ZZ | 25.24 | 28.27 |
| Crystal Gateway 4 | VA0250ZZ | 27.07 | 28.49 |
| Crystal Mall 2, 3, and 4 | VA1411ZZ | 19.80 | 21.86 |
| Crystal Park 1 | VA0251ZZ | 30.45 | 27.95 |
| Crystal Plaza 5 | VA1324ZZ | 20.08 | 21.86 |
| Crystal Plaza 6 | VA1287ZZ | 19.10 | 21.86 |
| Crystal Square 5 | VA1606ZZ | 23.10 | 23.48 |
| Hoffman 2 | VA1545ZZ | 6.02 | 17.29 |
| James Polk | VA1447ZZ | 6.44 | 21.86 |
| Jefferson Plaza 1 and 2 | VA1450ZZ | 7.89 | 21.86 |
| Martin Van Buren | VA1446Z | 8.05 | 21.86 |
| Zachary Taylor | VA1451ZZ | 7.66 | 21.86 |
| 1400-1430 S. Eads St. ^b | VA1147ZZ | 4.00 | ^c |
| 1411 S. Fern St. ^b | VA1247ZZ | 5.93 | 16.50 |
| 1201-1301 S. Fern St. ^b | VA1195ZZ | 8.68 | 15.92 |

^aThese charges are for office space. In addition to office space, DOD is charged for seven categories of storage and specially equipped space. About 8 percent of the Navy's space is for such space, with GSA charging 27 different rates that range from \$5.67 to \$50.89.

^bGSA's records do not provide names for these buildings.

^cGSA's records show that DOD does not have office space in this building. However, DOD is charged \$5.67 per square foot for storage space.

Table I.4: GSA's Acquisition Schedule for Consolidated Navy Lease

| Action | Date |
|--|-------------------|
| Solicitation for offers was issued telling offerors to prepare proposals for two separate phases. Phase I proposals were to include information on the offerors' qualifications, site proposals, expected costs, and financial capability. Phase II proposals were to include the data needed for an evaluation of the design, construction, and maintenance of the proposed facilities. | October 4, 1989 |
| GSA received Phase I proposals from offerors. | November 20, 1989 |
| GSA requested offerors to submit Phase II proposals. | January 9, 1990 |
| Due date for submission of Phase II proposals to GSA. | June 18, 1990 |
| GSA plans to request best and final offers after initial contract negotiations. | November 15, 1990 |
| Deputy Regional Administrator is scheduled to receive an award recommendation from GSA personnel evaluating proposals. | December 30, 1990 |
| Congressional briefings are planned to begin. | January 28, 1991 |
| Contract award date. | June 1, 1991 |

Major Contributors to This Fact Sheet

**General Government
Division, Washington,
D.C.**

**William Engel, Assistant Director, Government Business Operations
Issues**

Robert M. Antonio, Evaluator-in-Charge

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